26 August 1955

Memorandum for: AD/OO

Comptroller /

SSA/DD/S

Subject:

Proposed amendment to the Foreign Service Act of 1946

- 1. The Bureau of the Budget has forwarded to this Agency for comment a proposed amendment to the Foreign Service Act of 1946 relating to commissary and mess services abroad.
- 2. This office must forward its comments to the Bureau of the Budget before 15 September, and, therefore, it would be appreciated if you would forward to us your views with respect to the proposed amendment before 10 September.

STATINTL

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3. In the event that to communicate with	on extension
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	Walter L. Pforzheimer
	Legislative Counsel

Attachments

STATINTL

State Dept., OGC reviews completed. On file OMB release instructions apply.

MORI/CDF

C. C. P. S. SHIELD

## DEPARTMENT OF STATE

## WASHINGTON

Dear Mr. Vice President:

There is transmitted herewith a draft of a proposed bill, "To amond Section 921 of the Foreign Service Act of August 13, 1946 (22 U.S.C. 1139) relating to commissary or mess services", which it is recommended that the Congress enact.

Funds have not been requested for Covernment operated commissary or meas services since the fiscal year 1951. In order to meet
their neets for commissary or mess services, employees of the Foreign
Service have established a number of cooperative, non-Covernment
operated commissary or mess services financed by personal contributions. While this arrangement is very helpful to the employees of
the Service, notwithstanding the fact that some of them have difficulty
in participating therein because of necessary espital outlays, the
Covernment also benefits considerably therefrom because of reduced
post allowance payments and better employee relations.

In recent correspondence the Ceneral Accounting Office inquired about the authority for our employees to operate the non-Government countsary and allied services in the Faris Embassy, and raised a question whether funds accumulated through such operations are at least quasi-Covernment and whether they should be covered into the Treasury as Miscellaneous Receipts. In a decision dated March 3, 1953 (A-Molh) the Comptroller General supressed the desirability of obtaining additional legislation to enable the Department to sanction officially non-Covernment operated commissary and allied services.

Constal Regulations No. 121 issued by the Comptroller Ceneral under date of January 21, 1955, instructs departments and agencies of the Covernment with respect to their responsibilities concerning the

use of

The Honorable Richard M. Nixon, President of the Senate.

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use of Covernment facilities by employees and the action to be taken in collecting for any unofficial use of such facilities. This regulation will make it extremely difficult for non-Covernment operated commissions or mass services to operate in the absence of the legislation proposed.

If ordeted, the emerciaent would authorize the ostablishment and operation of non-Covernment operated commissary or ness facilities and enable the Department to assist them to obtain necessary space, including varehouse or storage space, utilities, material, supplies, equipment or services. It is contemplated that the regulations governing such operations would require reimbursement consistent with the various situations encountered.

In order to equalize comissary and mess charges to employees of all exercise serving abroad, because their post allowances are equal, the amendment would provide that charges abroad by a commissary or mess service of any Government agency shall be at the same rate for all sivilian personnal of the Government serviced thereby, and that all charges for supplies furnished to such a service abroad by any Covarnment agency shall be at the same rate as that charged civilian commissary or mess services of the furnishing agency.

It is not contemplated that the cost of operating the Foreign Service will be increased by the enactment of this bill. On the other hand, if the bill is not enacted, and existing commissary and uses services should be discontinued, the cost of operating the service will be increased considerably by reason of increased postallowance payments.

The sutherity for the establishment and maintenance of Government operated commissary and mess services is retained so that it may be used in the event of future necessity.

It is respectfully requested that you lay the proposed bill before the Senate. A similar bill is being transmitted to the Speaker of the House of Representatives.

Paclosure:

A purposed bill.

## A BILL

To amend Section 921 of the Foreign Service Act of August 13, 1946 (22 U.S.C. 1139) relating to completely or mass services.

Be it enacted by the Sonate and House of Representatives of the United States of America in Congress assembled, That Section 921 of the Foreign Service Act of 1946 (22 U.S.C. 1139) is smended to read as fellows:

"Section 921. The Secretary may, under such regulations as he may prescribe (a) establish and maintain Covernment operated commissary or ness services, or (b) authorize and assist in the establishment, maintenance, and operation, by suployous of the Service, of compleany or mass services, at posts abroad, to be available to the officers and employees of all Covernment agencies and their dependents; space, facilities, material, stocks, supplies, equipment or services, may be made aveilable. Notwithstanding the provisions of any other law, charges ebroad by a commissary or mess service of any Coverment agency shall be at the same rate for all civilian porsonnel of the Covernment serviced thereby, and all charges for supplies furnished to such a service abroad by any Covernment agancy shall be at the same rate as that charged by the furnishing agency to its civilian countrary or meas services. Relabursements to appropriations are authorized. w